

THIRD IMPLEMENTATION PLAN

FOR THE

CENTRAL IMPERIAL REDEVELOPMENT PROJECT

PREPARED FOR

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JULY 2004 – JUNE 2009 IMPLEMENTATION PLAN SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

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I. INTRODUCTION

This document contains the five-year Implementation Plan for the period of July 2004 – June 2009 for the Central Imperial Redevelopment Project (Project Area), administered by Southeastern Economic Development Corporation (SEDC). The Implementation Plan is being prepared and adopted in accordance with State Health and Safety Code Section 33490 and related sections. These sections outline the purpose and requirements of the Implementation Plan as follows:

- Agencies were required to adopt their first five-year Plan(s) for existing Project Areas by December 1994.
- Each Plan must state the Agency's goals and objectives for the Project Area, identify specific programs and expenditures over the next five years, and describe how these goals and objectives, programs, and expenditures will alleviate blight.
- Each Plan must identify approaches to increase, improve and preserve the supply of low and moderate income housing. The Plan must further incorporate a plan to meet mandated housing production, affordability, and targeting income requirements.
- Each Plan can be adopted only after conducting a noticed public hearing.

A. Southeastern Economic Development Corporation

SEDC serves as the Redevelopment Agency's representative in managing redevelopment and economic development activities within a 7.2-square-mile area in Southeastern San Diego. SEDC's area of influence is bounded by Highway 94 on the north, Interstate 5 on the south and west, the City of National City on the south, and 69th Street on the east (Figure 1). SEDC's mission is:

"To implement and encourage the development of quality commercial services and housing development. To eliminate blight, adverse environmental conditions, and to foster long-term job opportunities for Southeastern residents. To promote growth and enhancement for all residents in the SEDC area of influence."

B. Central Imperial Redevelopment Project

The Central Imperial Redevelopment Plan (Redevelopment Plan) was adopted on September 14, 1992, by Ordinance No. 17831. The Project Area is located in the eastern

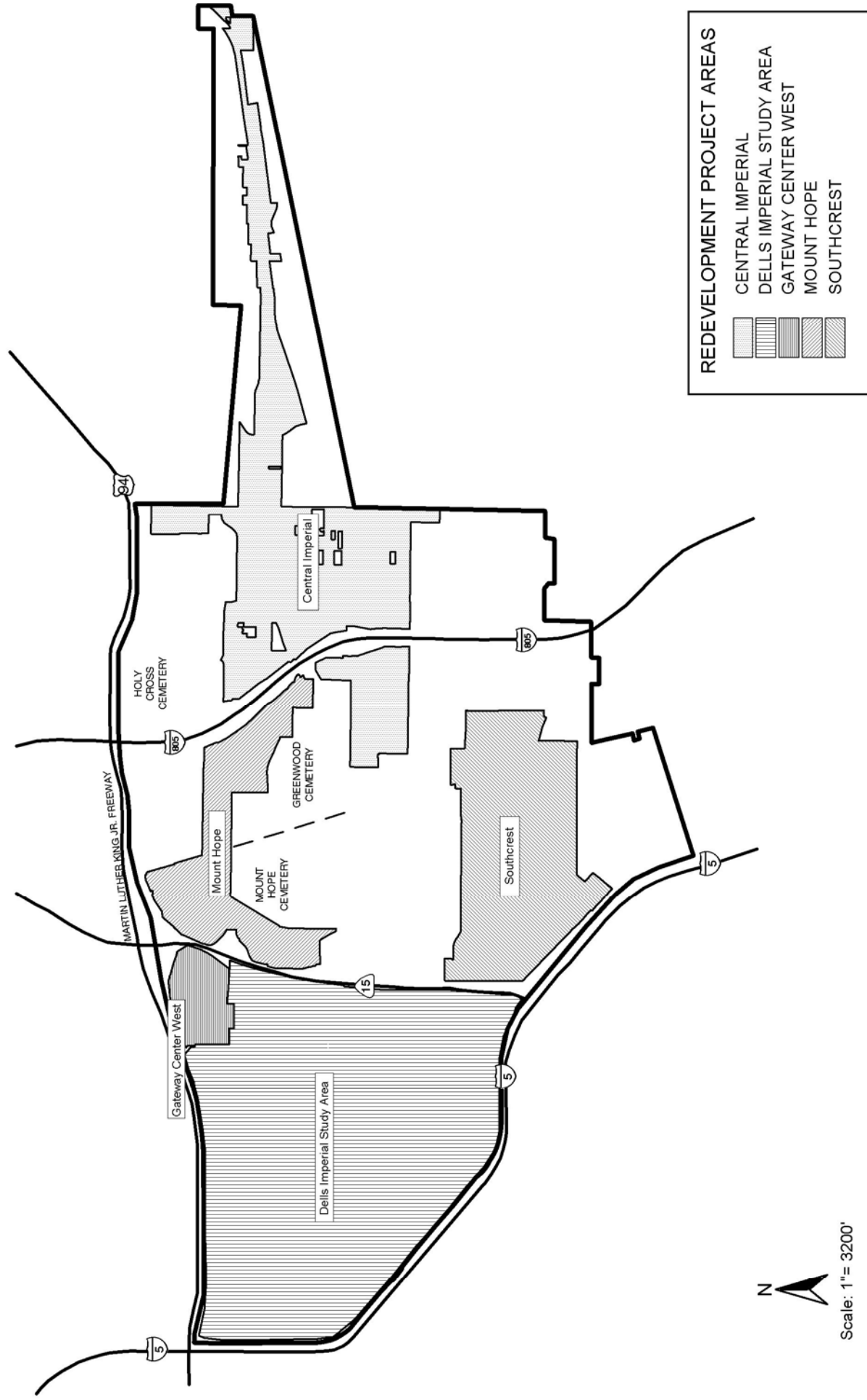


FIGURE
1

SEDC AREA OF INFLUENCE

one-third of the Southeast San Diego Community Planning Area in the City of San Diego. It includes six of the 17 neighborhoods identified in the Southeast San Diego Community Plan, including Chollas View, Emerald Hills, Encanto, Lincoln Park, Valencia Park, and South Encanto. The easternmost portion of the Project Area also contains portions of the Jamacha and Skyline neighborhoods, which are located within the Skyline-Paradise Hills Community Planning Area. The East Line of the San Diego Trolley is aligned through the Project Area in an east/west direction, connecting downtown San Diego with the eastern suburbs. At the time of adoption, the Project Area contained 485 acres of land, including public rights-of-way.

Since its adoption in 1992, the Redevelopment Plan has been amended four times, as summarized below:

- *First Amendment to the Redevelopment Plan*

The First Amendment to the Redevelopment Plan for the Project Area (First Amendment) was approved on December 5, 1995 (Resolution No. R-2595). The First Amendment changed the base year assessed value of the Project Area; deleted approximately 37 acres or 16 specific properties from the Project Area; and modified the Redevelopment Plan's land use map by changing the land use designation on two properties, to provide consistency between the adopted Southeast San Diego Community Plan and the Redevelopment Plan. Upon adoption of the First Amendment, the size of the Project Area was reduced to 448 acres.

- *Second Amendment to the Redevelopment Plan*

The Second Amendment was approved and adopted by the Redevelopment Agency (Resolution No. 17831) and by the City Council (Ordinance No. O-1837) on December 10, 1996. The Second Amendment added approximately 113 acres (including public rights-of-way) to the Project Area. This addition brought the two distinct neighborhoods of Mountain View and Chollas View into the Project Area. The size of the Project Area increased to approximately 561 acres.

- *Third Amendment to the Redevelopment Plan*

The Third Amendment was approved by the Council on October 24, 2000 (Ordinance No. O-18882). The Third Amendment modified the Redevelopment Plan boundaries by adding approximately 19 acres to the Project Area. The 19 acres of territory (which were originally part of the Project Area but deleted by the First Amendment to the Redevelopment Plan) increased the Project Area to 580 acres.

- *Fourth Amendment to the Redevelopment Plan*

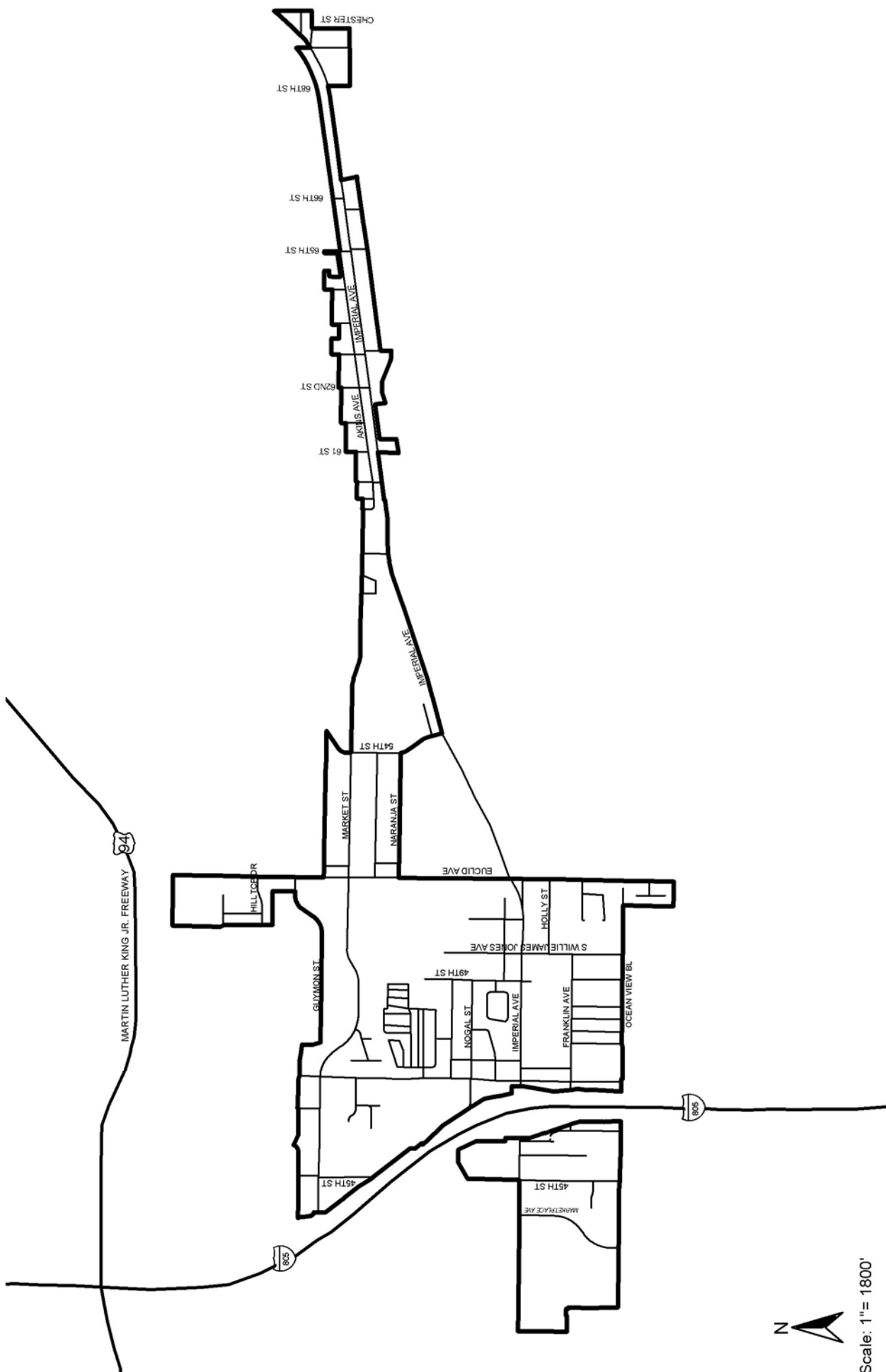
The Fourth Amendment was approved on October 21, 2003 (Resolution No. R-298531). The amendment extended eminent domain authority in the Project Area, which was set to expire in September 2004.

A map of the Project Area is shown in Figure 2 and a detailed profile of the Project Area is provided in Table 1.

C. Implementation Plans

In June 1994, the Redevelopment Agency of the City of San Diego (Agency) approved implementation plans for all of its redevelopment projects, in accordance with Section 33490 of the California Redevelopment Law (CRL). This included the four (4) adopted redevelopment projects administered by SEDC, which are the Central Imperial, Gateway Center West, Southcrest, and Mount Hope Redevelopment Projects. Each implementation plan covered a five-year period, from 1994 to 1999, and set forth the specific goals and objectives for its respective area. These implementation plans also identified the specific redevelopment activities and/or programs that were anticipated to be “implemented” (e.g., completed) to assist in the alleviation of blighting conditions. In addition, they identified the projected expenditures associated with the redevelopment activities/programs; described how each activity/program would alleviate blight; and explained how the goals, objectives, projects, and expenditures would implement the CRL’s low and moderate income housing set-aside and housing production requirements. These implementation plans, adopted in June 1994, are referred to as the “Initial Implementation Plans”.

As noted above, after adoption of the “Initial Implementation Plans”, redevelopment agencies are required to review and adopt updated implementation plans every five years thereafter. The Agency directed that all redevelopment corporations conduct such a review. SEDC has reviewed each of its implementation plans, accordingly.



Scale: 1" = 1800'



Redevelopment Project Area Boundary



05/05/04

CENTRAL IMPERIAL Redevelopment Project Area

TABLE 1

Project Area Profile
Central Imperial Redevelopment Project

Land Area:	Approximately 580 acres (including public rights-of-way)		
Boundary:	West of I-805, the Project includes the area east of 41 st Street, north of Ocean View Boulevard, and south of the eastline trolley. East of I-805, the Project includes areas west of Euclid Avenue, north of Oceanside View Boulevard, and south of G and Guymon Streets. Project Area also extends east of Euclid Avenue to Flicker Street, generally between Market Street and Imperial Avenue.		
Land Use: (1)	32%	Residential	
	6%	Commercial	
	5%	Industrial	
	10%	Institutional/Utilities	
	2%	Open Space/Park	
	15%	Vacant	
	4%	Abandoned/Underutilized	
	26%	Public Rights-of-Way	
Date Adopted:	September 14, 1992		
Date of Amendment:	First Amendment:	December 5, 1995	
	Second Amendment:	December 10, 1996	
	Third Amendment:	October 24, 2000	
	Fourth Amendment:	October 21, 2003	
Term Limit:	September 13, 2026		
Tax Increment Limit:	\$142.0 million		
Current Tax Increment Flow:	\$782,000		

(1) As of December 1998.

Source: SEDC, April 2004

II. PROJECT GOALS AND OBJECTIVES

The goals and objectives of the Redevelopment Plan are as follows:

- Promote revitalization of the community.
- Provide incentives for the development of new commercial and residential facilities to better serve the community and to upgrade the physical appearances of commercial and residential areas.
- Provide incentives for development of underutilized parcels of land.
- Maintain the existing residential character.
- Ensure maximum opportunity for employment of local residents in permanent jobs created by new business development and in temporary construction jobs.
- Ensure that local people have the opportunity to establish new businesses or expand existing businesses in new commercial facilities, and are provided information on technical and financial programs offered by various organizations including the SEDC Community Business Improvement Program.
- Communicate to all businesses and residents current information on community revitalization efforts.

A. Blighting Conditions

The Project Area has long suffered from a loss of private investment and development activity, due in large part to deteriorating physical and economic conditions and crime. The Agency's Report to the City Council for the Central Imperial Redevelopment Project (SEDC, 1992) and the Report to the City Council for the Second Amendment to the Central Imperial Redevelopment Plan (SEDC, 1996) presented detailed assessments of blighting conditions in the Project Area, including both physical deterioration and economic dislocation. The following blighting influences were identified:

- High crime rate/lack of public safety.
- High vacancies in commercial structures.
- A large percentage of deteriorated and dilapidated structures, especially aging and obsolete commercial buildings.

- Inadequate public improvements, facilities, and utilities.
- Inferior circulation.
- Lack of adequate shopping facilities.
- Out-migration of businesses.
- High unemployment rate.
- Lack of affordable housing options.
- Residential overcrowding.
- Depreciated or stagnant property values or impaired investment.
- Irregular topography.
- Irregular parcel size and shape.
- Areas prone to flooding.
- Excessive vacant and underutilized lots.

B. Objectives and Actions Necessary for Alleviation of Blight

The Redevelopment Plan identified the following key objectives for revitalization of the Project Area:

- Development of a range of housing types and homeownership opportunities.
- Development of underutilized parcels of land.
- Development of new commercial facilities to serve the community.
- Establishment of new businesses in new commercial facilities.
- Creation of development opportunities that will increase the economic base and employment prospects for the community.

The specific actions necessary to achieve the above objectives include:

- Install public improvements in order to entice private investors to invest and build.
- Provide financial assistance for rehabilitation and conversion of structures.
- Demolish and relocate buildings suffering from deterioration and dilapidation, age and obsolescence, and defective design and character of physical construction.
- Assist with site assembly, preparation, and relocation to encourage the private sector to remediate problems such as inappropriate mixed and shifting uses, and small and irregular parcels.

III. COMPLETED PROJECTS AND CONTRIBUTION TO BLIGHT ALLEVIATION

The Agency has completed numerous projects in the Project Area since the Redevelopment Plan was adopted in 1992. These have included both assistance to private development activities and installation and improvement of public infrastructure and facilities. Agency activities in the Project Area are reviewed below and described in greater detail in Tables 2 and 3.

A. Completed Private Projects

Private projects assisted by the Agency have included single-family residential developments in and around the Project Area. These projects were sited on vacant and underutilized properties in otherwise densely developed neighborhoods, and include Evergreen Village, Jarrett Heights, Kings Row, Village at Euclid, Casas de Suenos, and Sunshine Gardens. In order to encourage neighborhood stabilization, the Agency requires that most residential development be restricted to owner occupancy for a specific period. The Agency provided a total of about \$1.0 million in assistance to these developments in the form of acquisition and construction loans. The Agency also provided assistance to qualified homebuyers in these developments, as part of SEDC's Shared Equity Program (SEP) and Downpayment Grant Program (DGP).

In terms of private commercial development, the Agency assisted with development of four commercial developments: Ultramar Gas Station, Market Creek Plaza, Valencia Business Park, and Imperial Marketplace. Assistance from the Agency on these developments included installation of on-site and off-site improvements, development impact fee waivers, and assistance through the entitlement process.

The Agency has assisted local commercial establishments through the Diamond Business Improvement District, which was formed to improve business conditions. The Agency has also implemented a revolving loan fund program to provide investment capital for new and established businesses to facilitate growth and expansion. Since 1992, the revolving loan program has assisted 36 businesses in all four of SEDC's Project Areas by providing approximately \$972,000 in loans.

As shown in Table 2, the Agency's activities in support of private development in the Project Area have made a substantial contribution to the alleviation of blighting conditions. The Agency's consolidation of small, irregularly shaped, and underutilized parcels has made development feasible where it otherwise would not have occurred. Moreover, in assisting new development of residential and commercial uses, the Agency has helped to alleviate blighting conditions such as crime and deteriorated structures. It has also contributed to job creation, stemmed the outflow of businesses, and stabilized local businesses. These new

developments have had a positive impact on adjoining land uses and generated new housing and shopping opportunities for local residents.

B. Completed Public Improvements

The Agency has undertaken several major public improvements in the Project Area, including ongoing street light conversions, median improvements, clean-up programs, and installation of sewers, gutters, and sidewalks in key locations. Most notable are public improvements completed in support of the Imperial Marketplace, Valencia Business Park, Market Creek Plaza, and Encanto Commercial Corridor. Improvements in these areas include channel improvements, widening of Imperial Avenue, installation of public art and landscaping, and restoration of public access and pathways. Table 3 lists the major public projects completed in the Project Area and their contribution to blight alleviation. The Agency's efforts have contributed to the alleviation of infrastructure deficiencies, deteriorated structures, crime, depreciated/stagnant property values, vacant/underutilized lots, and inferior circulation.

C. Expenditure of Funds

As shown in SEDC's Fiscal Year (FY) 2004 budget, cumulative Agency expenditures for the Redevelopment Project totaled approximately \$25.85 million through FY 2003. These funds were dedicated to administrative and planning functions, public improvements in support of private development, and homebuyer assistance and housing rehabilitation loans. In FY 2005, the Agency expects to incur total expenditures related to the Project Area of \$6.1 million.

TABLE 2

COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program:</i>			
Sunshine Gardens	January 1995	New construction of 11 single-family homes.	<ul style="list-style-type: none"> • Provided stability to the Project Area by enhancing the permanent residential base • Utilized unproductive land • Increased supply of affordable housing • Provided homeownership opportunities
Knox Glen	November 1995	New construction of 54 affordable apartments.	<ul style="list-style-type: none"> • Utilized unproductive land • Stabilized rents and enhances the community by improving and preserving the supply of affordable housing for low-income households • Provided homeownership opportunities
Kings Row	February 1996	New construction of 53 single-family homes on a vacant 9.0 acre site. All homes restricted to low and moderate income households.	<ul style="list-style-type: none"> • Utilized unproductive land • Provided stability to the Project Area by enhancing the permanent residential base • Increased supply of affordable housing • Alleviated depreciated/stagnant property values • Provided homeownership opportunities
Casas de Suenos I	April 1997	New construction of 8 single-family homes on vacant 5.0 acre site. Seven (7) homes restricted to low and moderate income households; one (1) home restricted to a low income household.	<ul style="list-style-type: none"> • Utilized unproductive land • Provided stability to the Project Area by enhancing the permanent residential base • Increased supply of affordable housing • Alleviated depreciated/stagnant property values • Provided homeownership opportunities
Jarrett Heights	February 1998	New construction of 23 single-family homes on 5.0 acres. Five (5) homes restricted to low and moderate income households.	<ul style="list-style-type: none"> • Utilized unproductive land • Provided stability to the Project Area by enhancing the permanent residential base • Increased supply of affordable housing • Alleviated depreciated/stagnant property values • Provided homeownership opportunities

TABLE 2 (CONT'D.)

COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program (Cont'd.):</i>			
Casas de Suenos II	March 1998	New construction of three (3) single-family homes.	<ul style="list-style-type: none"> Utilized unproductive land Provided stability to the Project Area by enhancing the permanent residential base Increased supply of affordable housing Alleviated depreciated/stagnant property values Provided homeownership opportunities
Ultramar Gas Station	September 1999	New construction of a 1,570 SF mini-mart and automatic car wash with attached canopy over six self-serve gasoline dispensers on vacant .55 acre site.	<ul style="list-style-type: none"> Created employment opportunities Served unmet commercial and retail needs Utilized unproductive land Alleviated depreciated/stagnant property values
Evergreen Village	March 2000	New construction of fifty-six (56) single family homes on 8.46 acres. Twelve (12) homes restricted to low and moderate income households.	<ul style="list-style-type: none"> Utilized unproductive land Provided stability to the Project Area by enhancing the permanent residential base Increased supply of affordable housing Alleviated depreciated/stagnant property values Provided homeownership opportunities
Village at Euclid	September 2000	New construction of twenty-three (23) single family homes on vacant 5.3 acre site. Two (2) homes restricted to low and moderate income households	<ul style="list-style-type: none"> Utilized unproductive land Provided stability to the Project Area by enhancing the permanent residential base Increased supply of affordable housing Alleviated depreciated/stagnant property values Provided homeownership opportunities
Imperial Marketplace	December 2001	New construction of a 300,000 SF retail and office center on 40 acre site.	<ul style="list-style-type: none"> Created employment opportunities Served unmet commercial and retail needs Utilized unproductive land. Alleviated depreciated/stagnant property values Removed and/or mitigated factors hindering economic viability Mitigated impaired investment

TABLE 2 (CONT'D.)

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program (Cont'd.):</i>			
Market Creek Plaza	March 2002 (Phase II in planning process)	New construction of a 142,000 SF retail center anchored by Food 4 Less.	<ul style="list-style-type: none"> • Created employment opportunities • Served unmet commercial and retail needs • Utilized unproductive land • Alleviated depreciate/stagnant property values • Removed and/or mitigated factors hindering economic viability • Mitigated impaired investment
Valencia Business Park	November 2002	Development of 100,000 SF business park on vacant 14.8 acre site.	<ul style="list-style-type: none"> • Created employment opportunities • Utilized unproductive land • Provided postal service to area lacking community services

TABLE 3

**COMPLETED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PUBLIC
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Date Completed	Project/Program Description	Contribution to Blight Removal
<i>Public Improvement Program:</i>			
South Las Chollas Creek Improvements (at Imperial Marketplace)	December 2001 (landscaping maintenance period completed and accepted January 2004)	Improvements to channel including widening, installation of amor-flex and flood control (levee), and removing adjacent properties from flood plain. Open space improvements next to channel include pedestrian trails, landscape and irrigation, decorative fencing.	<ul style="list-style-type: none"> • Enhanced the potential for new private development by improving public infrastructure • Corrected irregular topography • Removed surrounding property out of flood plain
Imperial Market Place Public Improvements	December 2001	Installation of public street. Improvement and widening of Imperial Avenue. Contribution toward I-805 Exit Ramp Improvements at Imperial Avenue.	<ul style="list-style-type: none"> • Enhanced the potential for new private development by improving public infrastructure • Utilized unproductive land • Provided neighborhood amenities
Valencia Business Park	November 2002	Installation of public street. Improvement and widening of Imperial Avenue. Installation of traffic control signal. Removal of site from flood plain. Installation of public art.	<ul style="list-style-type: none"> • Enhanced the potential for new private development by improving public infrastructure • Utilized unproductive land • Provided neighborhood amenities
Encanto Branch South Las Chollas Creek (at Valencia Business Park)	November 2002	Improvement to channel including widening and installation of amorflex and removing adjacent properties from flood plain. Open space improvements next to channel include pedestrian trails, landscaping & irrigation, and decorative fencing.	<ul style="list-style-type: none"> • Enhanced the potential for new private development by improving public infrastructure • Removed surrounding property out of flood plain

IV. UPDATED ASSESSMENT OF CURRENT BLIGHTING CONDITIONS

The Agency has taken important steps toward the alleviation of blighting conditions in the Project Area. Nevertheless, blighting conditions are still present in the Project Area, and continue to impair private investment and development activity. As a result, a number of important developments and improvements still need to be implemented in order to achieve the Agency's goals and objectives.

A summary of the current blighting conditions in the Project Area are as follows:

- High crime rate/lack of public safety.
- High vacancies in commercial structures.
- A high percentage of deteriorated and dilapidated structures, especially aging and obsolete buildings.
- Inadequate public improvements, facilities, and utilities.
- Inferior circulation.
- Lack of adequate shopping facilities.
- Business migration out of the Project Area.
- High unemployment rate.
- Lack of affordable housing options.
- Residential overcrowding.
- Depreciated or stagnant property values or impaired investment.
- Irregular topography.
- Irregular parcel size and shape.
- Areas prone to flooding.
- Excessive vacant and underutilized lots.

V. GOALS AND OBJECTIVES, PROPOSED PROJECTS, AND CONTRIBUTION TO BLIGHT ALLEVIATION

This section identifies the Agency's goals and objectives, specific programs, and possible projects in the Project Area for the next five years. Explanation is also provided as to how these goals and programs will alleviate blight. Planned expenditures are also reviewed in this section.

A. Goals and Objectives

The Agency's principal goals and objectives for the Project Area for the period between July 2004 – June 2009 are as follows:

- Implement the Imperial Avenue Master Plan through marketing and identify funding sources for development of public improvements.
- Process application to the State to adjust the Project Area base year valuation to reflect properties acquired by San Diego Unified School District for the Lincoln High School expansion.
- Review the feasibility of expanding to add territory.
- Provide continued support for in-fill housing.
- In order to facilitate increased housing densities and mixed-use development, process a Master Plan, amend the Community Plan and Redevelopment Plan, and process a Master EIR.
- Integrate public art whenever possible.

B. Proposed Private Projects

To achieve these objectives, the Agency proposes to undertake the programs and possible private development projects listed in Table 4 and summarized below. For each proposed activity, the table indicates blighted conditions that will be alleviated.

The Agency plans a program of private development on various sites in the Project Area. Many of the available sites are presently constrained by either irregular topography or flood hazard conditions. Agency activities in support of development on these potential sites include:

- Remedial flood plain improvements necessary to raise a portion of an industrial site at 54th & Market Street out of the flood plain.
- Securing funding for acquisition and relocation costs associated with development of 170 single-family and multi-family units, of which 120 units will be restricted to very-low and low-income households.
- Sale of Agency-owned property for development of light industrial/office space at Valencia Business Park.
- Assisting with a Community Plan Amendment and Redevelopment Plan Amendment to allow for a zoning change from light industrial to a new zoned designation of mixed-use in support of a three-story mixed-use development in the Chollas View neighborhood.
- Preparation of the Master Plan for Imperial Avenue which will be used to provide design and development guidelines and implementation strategies for commercial and residential uses along Imperial Avenue.

As shown in Table 4, Agency-sponsored private developments in the Project Area can be expected to contribute to blight alleviation by reducing conditions such as crime, infrastructure deficiencies, lack of adequate shopping facilities, business out-migration, unemployment, lack of affordable housing, residential overcrowding, depreciated/stagnated property values, parcels of irregular/size/shape/topography, and vacant/underutilized lots.

C. Proposed Public Improvements

The Agency also plans to undertake a number of major public improvements in the Project Area during the next five years. These include:

- Establishing the Valencia Business Park Owners Association to maintain common areas.
- Identifying funding sources to implement public improvements identified in the Imperial Avenue Master Plan.

Table 5 shows that the proposed public improvements will contribute to the alleviation of crime, business out-migration, and depreciated/stagnated property values.

TABLE 4

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program:</i>			
Valencia Business Park Lots 2 - 7	Vacant	New construction of three (3) buildings featuring 65,000 SF of light industrial/office space.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Prevent business out-migration • Alleviate depreciated/stagnant property values • Create employment opportunities • Service unmet commercial/retail needs • Utilize unproductive land
54th & Market Street	Vacant	New construction of two 15,000 SF industrial buildings on a 2.0-acre site.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Prevent business out-migration • Alleviate depreciated/stagnant property values • Create employment opportunities • Service unmet commercial/retail needs • Utilize unproductive land
Hilltop & Euclid Avenue Housing	Primarily vacant with some residential uses	New construction of fifty (50) for-sale single-family and one hundred twenty (120) multi-family apartments. All one hundred twenty multi-family units will be restricted to very low and low income households.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Utilize unproductive land • Provide affordable housing • Provide homeownership opportunities • Provide infrastructure improvements • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
Mar Vista Mixed-Use	Vacant, with moderately steep hill requiring extensive grading	New construction of mixed-use development featuring two three-story buildings with commercial/light industrial at ground level and residential on upper stories. Development to include 138 affordable for-sale condominiums, 5,000 SF restaurant, 18,000 SF commercial, and 43,000 SF light industrial on 7.1 acre site.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Utilize unproductive land • Provide affordable housing • Provide homeownership opportunities • Provide infrastructure improvements • Alleviate depreciated/stagnant property values

TABLE 4 (CONT'D.)

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program (Cont'd.):</i>			
Village Center at Euclid and Market - Pilot Village	Vacant, with some commercial, retail, and residential uses	City of Villages demonstration project. Plans include 839 residential units, commercial/office, community-oriented and nationally-based retail; community center, open space, recreation areas, and an industrial building.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Utilize unproductive land • Provide affordable housing • Provide homeownership opportunities • Provide infrastructure improvements • Alleviate depreciated/stagnant property values
Imperial Avenue Master Plan	Commercial and residential street	Master plan for Imperial Avenue from 47th to Euclid Avenue and 61st to 69th streets with design and development guidelines and implementation strategies for a commercial and residential corridor containing topographical, geographical, and infrastructure constraints.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Utilize unproductive land • Provide affordable housing • Provide homeownership opportunities • Provide infrastructure improvements • Alleviate depreciated/stagnant property values
Market Street and Pitta Street Row Homes	Vacant	New construction of eighty-three (83) for-sale rowhomes.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Utilize unproductive land • Provide affordable housing • Provide homeownership opportunities • Provide infrastructure improvements • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
54th & Imperial Housing	Acacia Trailer Park with 95 trailers.	New construction of up to 144 residential units.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Alleviate depreciated/stagnant property values

TABLE 4 (CONT'D.)

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
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Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program (Cont'd.):</i>			
Imperial & Euclid Residential	Commercial and residential	Mixed-use development featuring approximately 110 townhomes, condominiums, apartments, and single-family homes as well as commercial uses.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Create employment opportunities • Service unmet commercial/retail needs • Alleviate irregular parcel size and shape
Akins Avenue Residential - Encanto Village	Vacant and existing residential.	New construction of twenty-six (26) for-sale townhomes.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
Logan Avenue and Euclid Avenue	Neighborhood serving commercial and institutional (YWCA) with vacant land.	Amend Redevelopment Plan to add site to Project Area. Change land use to allow development of approximately 185 residential units.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
Chollas Creek Villas	Vacant	New construction of 29 townhomes and four (4) single-family homes.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape

TABLE 4 (CONT'D.)

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PRIVATE
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Private Development Program (Cont'd.):</i>			
Naranja & 53rd Street	Vacant	New construction of 45 residential units on 1.55 acre site.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
4800 Market Street near Uvas	Vacant	New construction of 21 units on 1.47 acre site owned by the City of San Diego.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape
45th & Ocean View	Vacant	New construction of 14 residential units on 1.57 acre site zoned for single-family development.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Provide affordable housing • Provide homeownership opportunities • Alleviate depreciated/stagnant property values • Alleviate irregular parcel size and shape

TABLE 5

**PROPOSED PROJECTS AND PROGRAMS AND CONTRIBUTION TO BLIGHT REMOVAL - PUBLIC
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Project/Program	Existing Use	Project/Program Description	Contribution to Blight Removal
<i>Public Improvement Program:</i>			
Valencia Business Park Owners Association	N/A	Establish owners association to maintain common areas including native plantings on creek slopes, pedestrian trails, landscaping, decorative fencing, entrance sign, lighting, and public art.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Prevent business out-migration • Alleviate depreciated/stagnant property values
Imperial Avenue Master Plan	N/A	Identify funding sources to implement public improvements on Imperial Avenue from 47th to Euclid Avenue and 61st to 69th streets with design as identified in Master Plan.	<ul style="list-style-type: none"> • Alleviate crime/lack of public safety • Create neighborhood stability • Prevent business out-migration • Alleviate depreciated/stagnant property values
Imperial Marketplace Public Improvements Wetlands	N/A	Mitigation for impacts to wetlands in Las Chollas Creek during restoration and flood plain improvements. Wetlands of 0.99 acres will be preserved off-site to mitigate the impacts.	<ul style="list-style-type: none"> • Enhance potential for new private development by improving public infrastructure • Utilize unproductive land • Provide neighborhood amenities
Valencia Business Park Public Improvements Wetlands	N/A	Mitigation for impacts to wetlands in Las Chollas Creek during restoration and flood plain improvements. Wetlands of 0.54 acres will be preserved off-site to mitigate the impacts.	<ul style="list-style-type: none"> • Enhance potential for new private development by improving public infrastructure • Utilize unproductive land • Provide neighborhood amenities
Valencia Business Park Public Improvements Uplands	N/A	Mitigation for impacts to coastal sage scrub and non-native grass lands previously on site during construction. Uplands will be preserved off-site to mitigate the impacts.	<ul style="list-style-type: none"> • Enhance potential for new private development by improving public infrastructure • Utilize unproductive land • Provide neighborhood amenities

D. Proposed Expenditures

Redevelopment agencies are required to identify their proposed expenditures over the next five years for purposes of alleviating blight. Agency expenditures for the programs identified in this five-year plan will be derived from the following sources:

- Sale of tax allocation bonds supported by tax increment revenues from the Project Area.
- Tax increment revenues over and above the amounts required to cover debt service on the tax allocation bonds.
- Housing set-aside funds, which must be used for low and moderate income housing. (The status of the Agency's Housing Funds, possible housing developments, and potential expenditures are reviewed in the next section.)
- Loans and advances that may be provided from time to time by the City of San Diego.
- Section 108 loans.
- Proceeds from sales and land leases to private developers for purposes of implementing specific redevelopment projects.
- Loans and advances from private developers.

Tax revenues are expected to represent the major funding source for Agency programs. In FY 2005 the Agency expects to receive about \$684,000 in net tax increment from the Project Area. Net tax increment is the amount available for new programs after pass-throughs, contributions toward the Education Revenue Augmentation Fund (ERAF), and County administrative fees. The Agency expects this figure to rise about 2% annually over the next five years. Based on this assumption, the Agency can expect to receive approximately \$3,560,000 (not discounted) in net tax increment over the next five years.

Gross estimates of Agency expenditures for each proposed project identified in the previous section are listed in Table 6. The actual amount and timing of Agency expenditures will depend on the availability of funding. The Agency will continue to leverage its limited financial resources with other funding sources in order to implement its redevelopment programs. These may include, among others, advances or payments from developers and property owners, loans from the City, low-income housing tax credits, and financial participation by other public agencies. In some cases, it may be prudent for the Agency to aggregate funds to certain minimum levels before investing in programs and projects identified in this Plan.

TABLE 6

ESTIMATED EXPENDITURES ⁽¹⁾
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

Private Projects/Programs	Description	Estimated Expenditure
• 54th & Market Street	Reimbursement to developer to remove site from 100-year flood plain	\$210,000
• Hilltop & Euclid Avenue Housing	Site acquisition (\$4,000,000) and grading and creek improvements (approximately \$2,000,000)	\$6,000,000
• Mar Vista Mixed-Use	Central Imperial Redevelopment Plan Amendment	\$100,000
• Village Center at Euclid and Market - Pilot Village	Various infrastructure, site improvements to be identified	\$5,000,000
• Imperial Avenue Master Plan - Planning	Urban planning and engineering	\$150,000
• Imperial Avenue Master Plan - Public Improvements	Imperial Avenue improvements and improvements to the Encanto branch of South Las Chollas Creek to remove Imperial Avenue and portions of the surrounding area from the 100-year flood plain	\$7,000,000
• Logan Avenue & Euclid Avenue - Residential	Central Imperial Redevelopment Plan Amendment to bring site into plan area	\$100,000
• Valencia Business Park Owners Association	Formation of owners' association to manage property and maintain site	\$50,000
• Imperial Marketplace Public Improvements Wetlands	Mitigation for impacts to wetlands in Las Chollas Creek	\$124,000
• Valencia Business Park Public Improvements Wetlands	Mitigation for impacts to wetlands in Las Chollas Creek	\$68,000
• Valencia Business Park Public Improvements Uplands	Mitigation for impacts to uplands previously on site during construction	\$220,000
Total		\$19,022,000

(1) Based on data from SEDC as of May 2004. Reflects estimated expenditures for proposed projects and programs identified in Tables 4 and 5, with the exception of those projects/programs for which a specific scope of development has yet to be determined.

VI. HOUSING PRODUCTION PLAN

In addition to the removal of blight, a fundamental purpose of redevelopment is to expand and preserve the supply of low and moderate income housing. To accomplish this purpose, California Redevelopment Law contains numerous provisions to guide redevelopment agency activities with regard to affordable housing. One of these provisions is a requirement placed on redevelopment agencies to include a housing production plan in each five-year Implementation Plan. The housing plan must specify the Agency's intended approaches to increase, improve, and preserve the supply of low and moderate income housing.

This section is organized as follows:

- First, a review of SEDC Housing Assistance programs, programs provided in cooperation with the San Diego Housing Commission, and the Agency's Comprehensive Affordable Housing Strategy Collaborative (Collaborative).
- Next, discussion of the three principal housing mandates of California Redevelopment Law -- housing set-aside funds, the replacement rule, and the inclusionary obligation -- including an assessment of the Agency's present situation with respect to each requirement.
- Lastly, specific targets for housing production are identified for five- and ten-year horizons, as well as the life of the Project Area.

A. Housing Assistance Programs

1. SEDC Housing Assistance Programs

The Agency has implemented a number of special assistance programs to achieve its goals for maintaining affordability and rehabilitating housing in the Project Area. SEDC has primarily focused on owner-occupied housing assistance. SEDC's current programs work through increasing opportunities for affordable financing for the acquisition and/or rehabilitation of existing single-family homes. To increase the supply of affordable housing, SEDC's programs include development financing assistance, such as land acquisition/construction loans and gap financing for new developments. For first-time homebuyers, SEDC offers shared equity loans (silent seconds) and down payment and/or closing cost assistance for low to moderate income families.

In addition, SEDC has facilitated homebuyer workshops, where potential purchasers are provided with information on the homebuying process as well as the various home loan programs available in the marketplace. Purchasers receive a credit report, are pre-qualified for a home loan, and, where necessary, are assisted with budgeting for a down payment.

In 1999, SEDC adopted an update to its 1993 Housing Policies and Program document. Development guidance was one of the major issues addressed in the updated document. SEDC formed a multi-family advisory committee to establish development guidelines. In 2000 SEDC adopted the Multi-Family Development Guidelines which are utilized to evaluate multi-family development proposals. The Guidelines address the site planning, architectural, and landscaping components of development that have an impact on the physical and social fabric of the community.

Cooperation with San Diego Housing Commission

SEDC works closely with the San Diego Housing Commission (SDHC) in developing and marketing affordable housing finance programs in its project areas. Their overall policy goals are to work together to provide additional rehabilitation and homeownership opportunities. Efforts for the Project Area have concentrated on the Shared Equity and Downpayment Grant Programs for low to moderate first-time homebuyers. Together SEDC and SDHC have developed applicant criteria and loan terms and conditions; involved real estate agents; and enlisted financial institutions in funding the loans.

2. Agency's Comprehensive Affordable Housing Strategy Collaborative

The Redevelopment Agency, comprised of the City's Redevelopment Division, Centre City Development Corporation (CCDC) and SEDC, has formed a collaborative with the San Diego Housing Commission to accelerate and encourage new affordable housing development citywide. In January 2003, leveraging housing set-aside funds, the Collaborative issued a Notice of Funding Availability (NOFA) announcing the availability of \$55 million to provide gap financing for very low, low, and moderate income housing. The Project Area, along with the 15 other redevelopment project areas in the City of San Diego, is eligible to participate in this program, both financially and with proposed projects. The NOFA has so far generated significant interest from developers and as the funds are committed during 2004, the Agency will consider issuing another such notice perhaps by 2005.

B. Low and Moderate Income Housing Requirements

1. Housing Set-Aside Strategy

State Redevelopment Law requires that 20% of the tax increment generated in Project Areas be used for the purposes of increasing or improving the community's supply of very low, low, and moderate income housing. State law mandates that redevelopment agencies use housing set-aside monies in a timely manner, or otherwise forfeit these funds to other public agencies with housing responsibilities. Specifically, the law stipulates that agencies may not retain "Excess Surplus" in their set-aside housing funds. "Excess Surplus" is defined as the amount of an Agency's Housing Fund in excess of \$1,000,000, or the amount in the fund in excess of the aggregate contribution of the prior four-year period.

To date, the Agency has made cumulative total deposits into the Central Imperial Low/Mod (20%) Housing Fund of approximately \$716,000. About \$448,000 of these funds were expended to assist with housing-related street improvements and rehabilitation programs. Additional funding other than set-aside funds were expended for overhead and administrative costs associated with housing activities and debt service payments. As a result, the Agency's current total balance of housing set-aside funds is approximately \$162,000.

Housing Fund Targeting

Under California Health and Safety Code Section 33334.4, the Agency must target set-aside expenditures in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 2014, and then again through the termination of the Project Area. These tests do not have to be met on an annual basis.

Housing Need

The income proportionality test requires that the Agency target set-aside expenditures to the relative percentage of unmet need for very low, low, and moderate income units, as defined in the City's most recently approved Housing Element. Based on the City's 1999-2004 Housing Element, the Agency's minimum required allocation for very low and low income expenditures, and maximum moderate income housing expenditures are:

Very Low Income:	At least 32%
Lower Income	At least 29%
Moderate Income	No more than 39%

The Agency is entitled to expend a disproportionate amount of funds for very low income households, and to subtract a commensurate amount from the low and/or moderate income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate income households. In no event can the expenditures targeted to moderate income households exceed the established threshold amount.

In order to meet the income targeting standards, SEDC proposes that this Implementation Plan allocate 32% of the Housing Fund project and program expenditures to very low income households, 29% to low income households, and no more than 39% to moderate income households.

Expenditures on Senior Citizen Projects

The age restriction proportionality test requires that the maximum percentage of set-aside funds that an agency can allocate to senior housing is limited to the percentage of residents within the City that are 65 years of age and older, as reported by the most recent census of the U.S. Census Bureau.

As shown below, according to Census 2000, 10.5% of the City's population is aged 65 years or older.

City of San Diego Senior Test:		
Under 65 Year Old	1,095,392	89.5%
65 Years and Older	128,008	10.5%
Source: U.S. Census, Census 2000		

In order to meet the age restriction proportionality test requirements, SEDC proposes that this Implementation Plan allocate 89.5% of the Housing Fund project and program expenditures to non-age-restricted housing.

2. Replacement Obligation

State law also requires the replacement of low and moderate income housing when an agency causes the removal of such housing as part of its redevelopment activities. Redevelopment agencies are required to cause the development of replacement dwelling units, for low or moderate income households, in numbers equal to those eliminated, within four years of removal.

To date, redevelopment activities in the Project Area have not caused any housing units or households to be displaced. Future projects (i.e., development of the Hilltop site and the Acacia Imperial Trailer Park) could result in the removal of up to 98 housing units. Consequently, the Agency will have to provide 98 replacement units.

3. Inclusionary Housing

State law incorporates inclusionary housing requirements where defined percentages of housing must be reserved for low and moderate income households. Where the Agency does not directly develop or substantially rehabilitate units, at least 15% of all new or substantially rehabilitated units in a Project Area must be affordable to low and moderate income households. Of the 15% reserved, 40% must be restricted to very low income households.

If housing is developed or rehabilitated by the Agency itself, 30% of the housing must be affordable to low and moderate income households. Of those units, 50% must be affordable to very low income households.

Prices or rents for inclusionary units must be restricted by Agency-imposed covenants for the longest feasible time, as determined by the Agency. With respect to for-sale housing, this restriction must apply for a minimum of 45 years. The minimum requirement for rental housing is 55 years.

State law allows redevelopment agencies to combine developments from several Project Areas to meet the inclusionary housing obligation described above. In addition, housing production outside Project Areas may be counted, on a 2-for-1 basis, in order to fulfill these requirements.

Status of Inclusionary Production: A summary of total housing production and percentages reserved and for low and moderate income residents in the Project Area is presented in Table 7.

As shown, a total of 154 housing units have been developed in the Project Area. All of the housing units produced have been built by private developers.

Based on this production level, the Agency's inclusionary obligation for low and moderate-income units is 26 units. It is important to note that while many of the residential development projects listed in Table 7 include affordable units, restrictions on the units are for periods less than the minimum 45 years for for-sale housing and 55 years for rental housing, and therefore cannot be counted toward meeting the Agency's inclusionary obligation.

In sum, the Project Area has yielded a total inclusionary obligation of 26 low/moderate income units, of which 10 must be affordable to very low income households. To date, the Agency has restricted 27 units. All 27 units are restricted to low or moderate income households. As a result, the Agency has a current inclusionary housing surplus of 11 moderate-income units and a *deficit* of 10 very low-income units.

C. Proposed Housing Program

Redevelopment agencies are required to outline proposed housing activities at varying levels of detail for five years, ten years, and the life of the Redevelopment Plan. Accordingly, this section addresses the Agency's housing goals, and identifies planned housing production, both market-rate and affordable, for all three time periods.

Agency Goals: The Agency has identified four key housing goals for the Project Area:

- The promotion of neighborhood stability;
- The promotion of opportunities for homeownership for families of low and moderate income as well as market-rate;
- Preservation and rehabilitation of existing owner-occupied dwelling units; and
- Assistance to rehabilitate or otherwise improve existing housing developments that are creating neighborhood problems.

TABLE 7

**SUMMARY OF PRIOR HOUSING PRODUCTION (SEPTEMBER 1992 - JUNE 2004)
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION**

Prior Housing Production (September 1992 - June 2004)

<u>Project</u>	<u>Total Number of Units</u>	<u>Inclusionary Obligation @ 15.0%</u>	<u>Qualifying as Inclusionary Units</u>	
			<u>Moderate</u>	<u>Very Low</u>
Sunshine Garden	11	2		
Knox Glen (1)			27	
Kings Row	53	8		
Casa de Suenos I	8	2		
Jarrett Heights (1)				
Casa de Suenos II	3	1		
Evergreen Village	56	9		
Village at Euclid	23	4		
Total Prior Housing Production	154	26	27	0

<u>Total Inclusionary Housing Surplus/(Deficit) (1992-2004):</u>			
	<u>Total Surplus/(Deficit)</u>	<u>Moderate</u>	<u>Very Low</u> ⁽²⁾
Inclusionary Units Produced	27	27	0
(Less) Inclusionary Obligation	(26)	(16)	(10)
Total Inclusionary Housing Surplus/(Deficit)	1	11	(10)

(1) Knox Glen and Jarrett Heights are located outside the Project Area. As such, unit count is not counted toward inclusionary housing obligation. Affordable units at Knox Glen are counted on a 2:1 basis.

(2) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

To accomplish these goals, the Agency has estimated inclusionary housing production over the next five years, ten years, and the life of the Redevelopment Plan. As presented in Tables 8 through 10 and summarized below, the estimates reflect a review by Agency staff of future redevelopment potential, including the potential to implement Community Plan Amendments to increase densities in targeted areas.

<u>Housing Production:</u>	<u>5-Year Plan</u>	<u>10-Year Plan</u>	<u>Lifetime Plan</u>
Number of Units Produced	1,808	3,308	3,808
Total Inclusionary Obligation @ 15%	276	496	572
(Less) Inclusionary Housing Produced through June 2004	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Net Inclusionary Housing Obligation	275	495	571
Inclusionary Housing Affordability Requirements:			
Very Low Income ⁽¹⁾	120	208	238
Moderate Income	<u>150</u>	<u>287</u>	<u>333</u>
Total Inclusionary Obligation	275	495	571
(1) Very low income inclusionary obligation exceeds 40% requirement in order for the Agency to satisfy an existing deficit in the number of very low income units produced to date.			

TABLE 8

FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - FIVE-YEAR PLAN
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

I. Proposed Housing Production (July 2004 - June 2009)

Project	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	Total Number of Units FY 2005 - FY 2009	Inclusionary Obligation @ 15.0%
Chollas Creek Villas		33				33	5
Akins Avenue Residential		26				26	4
Hilltop & Euclid Avenue Housing			170			170	26
54th & Imperial Housing			144			144	22
Mar Vista Mixed-Use				138		138	21
Market Street and Pitta Street Rowhomes				83		83	13
Naranja & 53rd Street				45		45	7
Imperial & Euclid Residential				110		110	17
Village Center at Euclid and Market - Pilot Village					839	839	126
Logan Avenue and Euclid Avenue					185	185	28
4800 Market Street near Uvas					21	21	4
45th & Ocean					14	14	3
Total Proposed Housing Production	0	59	314	376	1,059	1,808	276

II. Estimated Inclusionary Housing Obligation

September 1992 - June 2004 (Table 7)	26
Projected through FY 2009	<u>276</u>
Total Inclusionary Housing Obligation (September 1992 - FY 2009)	302

III. Projected Inclusionary Housing Production

	<u>Moderate</u>	<u>Very Low</u>	<u>Total</u>
Inclusionary Housing Units Produced through June 2004	27	0 (1)	27
Add: Projected Inclusionary Housing Production (FY 2005 - FY 2009)	<u>155</u>	<u>120</u> (2)	<u>275</u>
Total Projected Inclusionary Housing Production	182	120	302

(1) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

(2) Very low income inclusionary obligation exceeds 40% requirement in order for the Agency to satisfy an existing deficit in the number of very low income units produced to date.

TABLE 9

FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - 10-YEAR PLAN
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

I. Proposed Housing Production (July 2004 - June 2014)			Total Number of Units	Inclusionary Obligation @
	<u>FY 2005 - FY 2009</u>	<u>FY 2010 - FY 2014</u>	<u>FY 2005 - FY 2014</u>	<u>15.0%</u>
Total Proposed Housing Production	1,808	1,500	3,308	496
II. Estimated Inclusionary Housing Obligation				
September 1992 - June 2004 (Table 7)				26
Projected through FY 2014				<u>496</u>
Total Inclusionary Housing Obligation (September 1992 - FY 2014)				522
III. Projected Inclusionary Housing Production				
	<u>Moderate</u>	<u>Very Low</u>	(1)	<u>Total</u>
Inclusionary Housing Units Produced through June 2004	27	0		27
Add: Projected Inclusionary Housing Production (FY 2005 - FY 2014)	<u>287</u>	<u>208</u>	(2)	<u>495</u>
Total Projected Inclusionary Housing Production	314	208		522

(1) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

(2) Very low income inclusionary obligation exceeds 40% requirement in order for the Agency to satisfy an existing deficit in the number of very low income units produced to date.

TABLE 10

FORECAST OF PROPOSED HOUSING PRODUCTION AND INCLUSIONARY HOUSING OBLIGATION - LIFETIME PLAN
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

I. Proposed Housing Production (July 2004-September 2026)				Total Number of Units FY 2005- Sept. 2026	Inclusionary Obligation @ 15.0%
	<u>FY 2005 - FY 2009</u>	<u>FY 2010 - FY 2014</u>	<u>FY 2015- Sept. 2026</u>		
Total Proposed Housing Production	1,808	1,500	500	3,808	572
II. Estimated Inclusionary Housing Obligation					
September 1992 - June 2004 (Table 7)					26
Projected through September 2026					<u>572</u>
Total Inclusionary Housing Obligation (September 1992 - September 2026)					598
III. Projected Inclusionary Housing Production					
		<u>Moderate</u>	<u>Very Low</u>	(1)	<u>Total</u>
Inclusionary Housing Units Produced through June 2004		27	0		27
Add: Projected Inclusionary Housing Production (FY 2005 - September 2026)		<u>333</u>	<u>238</u>	(2)	<u>571</u>
Total Projected Inclusionary Housing Production		360	238		598

(1) Forty percent (40%) of the inclusionary housing obligation should be targeted to very low-income households.

(2) Very low income inclusionary obligation exceeds 40% requirement in order for the Agency to satisfy an existing deficit in the number of very low income units produced to date.

As presented in Tables 11 through 13 and summarized below, an estimate of housing set-aside fund appropriations was also projected over the next five years, ten years, and the life of the Redevelopment Plan. These estimates are as follows:

<u>Housing Set-Aside Appropriations:</u>		<u>5-Year Plan</u>	<u>10-Year Plan</u>	<u>Lifetime Plan</u>
Total Housing Set-Aside Funds Received (1)		\$4,442,000	\$8,528,000	\$16,678,000
Housing Need Appropriations:				
Very Low	At least 32%	\$1,422,000	\$2,729,000	\$5,337,000
Low	At least 29%	\$1,288,000	\$2,473,000	\$4,837,000
Moderate	No more than 39%	<u>\$1,732,000</u>	<u>\$3,326,000</u>	<u>\$6,504,000</u>
Total		\$4,442,000	\$8,528,000	\$16,678,000
Senior Citizen Projects Appropriations:				
Under 65 Years	89.5%	\$3,976,000	\$7,633,000	\$14,927,000
Old				
65 Years and	No more than 10.5%	<u>\$466,000</u>	<u>\$895,000</u>	<u>\$1,751,000</u>
Older				
Total		\$4,442,000	\$8,528,000	\$16,678,000
(1) Estimate reflects all four Project Areas' current balance of set-aside funds combined (\$741,000), and estimated tax increment revenues received over the next five years, ten years, and life of the Plan, respectively (assumes Year 1 revenues of \$711,000, increasing by 2.0% per year).				

TABLE 11

PROJECTED HOUSING SET-ASIDE FUND APPROPRIATIONS - FIVE YEAR PLAN
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

		<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>FY</u> <u>2007</u>	<u>FY</u> <u>2008</u>	<u>FY</u> <u>2009</u>	<u>Total</u>
I. Total Projected Housing Set-Aside Funds Received							
	Assumed Escalation 2.0%						
	Annual Housing Set-Aside Funds Received	\$711,000	\$725,000	\$740,000	\$755,000	\$770,000	\$3,701,000
	Add: Current Balance FY 2004						<u>\$741,000</u>
	Total Projected Housing Funds Received						\$4,442,000
II. Housing Need Test							
	Very Low Income 32%		\$1,422,000				
	Lower Income 29%		\$1,288,000				
	Moderate Income <u>39%</u>		<u>\$1,732,000</u>				
	Total 100%		\$4,442,000				
III. Expenditures on Senior Citizen Projects							
	Under 65 Years Old 89.5%		\$3,976,000				
	65 Years and Older <u>10.5%</u>		<u>\$466,000</u>				
	Total 100%		\$4,442,000				

TABLE 12

PROJECTED HOUSING SET-ASIDE FUND APPROPRIATIONS - TEN-YEAR PLAN
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

			<u>FY</u> <u>2005</u>	<u>FY</u> <u>2009</u>	<u>FY</u> <u>2010</u>	<u>FY</u> <u>2011</u>	<u>FY</u> <u>2012</u>	<u>FY</u> <u>2013</u>	<u>FY</u> <u>2014</u>	<u>Total</u>
I. Total Projected Housing Set-Aside Funds Received										
	Assumed Escalation	2.0%								
	Projected Annual Housing Set-Aside Funds Received		\$711,000	\$770,000	\$785,000	\$801,000	\$817,000	\$833,000	\$850,000	\$7,787,000
	Add: Current Balance FY 2004									<u>\$741,000</u>
	Total Projected Housing Funds Received									\$8,528,000
II. Housing Need Test										
	Very Low Income	32%	\$2,729,000							
	Lower Income	29%	\$2,473,000							
	Moderate Income	<u>39%</u>	<u>\$3,326,000</u>							
	Total	100%	\$8,528,000							
III. Expenditures on Senior Citizen Projects										
	Under 65 Years Old	89.5%	\$7,633,000							
	65 Years and Older	<u>10.5%</u>	<u>\$895,000</u>							
	Total	100%	\$8,528,000							

TABLE 13

PROJECTED HOUSING SET-ASIDE FUND APPROPRIATIONS - LIFETIME PLAN ⁽¹⁾
CENTRAL IMPERIAL REDEVELOPMENT PROJECT
JULY 2004 - JUNE 2009 IMPLEMENTATION PLAN
SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

I. Total Projected Housing Set-Aside Funds Received

	<u>FY 2005</u>	<u>FY 2020</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Assumed Escalation 2.0%					
Projected Annual Housing Set-Aside Funds Received	\$711,000	\$574,000	\$634,000	\$646,000	\$15,937,000
Add: Current Balance FY 2004					<u>\$741,000</u>
Total Projected Housing Funds Received					\$16,678,000

II. Housing Need Test

Very Low Income	32%	\$5,337,000
Lower Income	29%	\$4,837,000
Moderate Income	<u>39%</u>	<u>\$6,504,000</u>
Total	100%	\$16,678,000

III. Expenditures on Senior Citizen Projects

Under 65 Years Old	89.5%	\$14,927,000
65 Years and Older	<u>10.5%</u>	<u>\$1,751,000</u>
Total	100%	\$16,678,000

(1) Expiration dates for each of the four Redevelopment Plans range from 2016 to 2027.